

Huff, Gwen

From: Trudi Hughes [Trudi@clfp.com]
Sent: Wednesday, August 18, 2010 4:17 PM
To: Water Use Efficiency
Cc: Frame, Kent
Subject: U5 Process Water Comments
Attachments: U5 Process Water Comments 8.16.10.docx

Please see attached.

Thank you.

Trudi Hughes
Government Affairs Executive
California League of Food Processors
1755 Creekside Oaks Drive, Suite 250
Sacramento, California 95833
(916) 640-8150 (office)
(916) 969-7742 (cell)
(916) 640-8156 (fax)
trudi@clfp.com



August 16, 2010

VIA Email to Wue@water.ca.gov

Subject: U5 Process Water Comments

On behalf of the California League of Food Processors, I would like to thank you for the opportunity to participate in the Department of Water Resources (Department) Process Water Workgroup. Below are our thoughts and comments on the "Draft Determination and Deduction methodology of process water from the gross water use calculation 7-26-10."

Applicability Section:

We question the need for and logic behind Item 1, which sets a 10% threshold to determine if industrial water use constitutes a "substantial percentage" of total water use in the determination of process water exclusions from the Gross Water Use calculation. We have concerns that this proposed threshold is not based on a representative sample of water districts as it only includes six districts. We would recommend removing any arbitrary threshold and would support the notion that if a supplier is willing to go to the trouble of quantifying its industrial water deliveries and separating out the process water, it demonstrates that the supplier considers industrial water use to be a substantial percentage of its total deliveries.

With regard to Item 2, it needs to be clarified that the statute does not require a finding that there is a "disproportionate burden" before a supplier can choose to exclude process water from the gross water use calculation. The statute specifies that a "disproportionate burden" is the reason for excluding process water, not a condition for excluding it. Specifically, Water Code Section 10608.22 (e) states: "when developing the urban water use target pursuant to Section 10608.20, an urban retail water supplier that has a substantial percentage of industrial water use in its service area, may exclude process water from the calculation of gross water use to avoid a disproportionate burden on another customer sector."

However, the Department has concluded through its calculations that a larger "disproportionate burden" would fall on customers at a 10% threshold than at a lower threshold. According to the Department's calculations, if industrial water constitutes 10% of the total water usage in a district, there would be a 15 gallon increase in the gallons per capita per day (gcpd) thus increasing the conservation burden on other users. At a 4% threshold, there would "only" be a 7.5 gallon increase in the gcpd. While the Department believes that a 15 gallon shift is more of a "disproportionate burden" than a 7.5

gallon shift and would thus constitute a “substantial percentage,” we believe that any shift in gcpd represent a disproportionate burden. Thus, we believe process water should always be excluded from the gross water calculation.

Finally, we believe that all industrial water users, not just existing customers, should be considered. There is no distinction made in the statute between existing and future customers.

Examples Section:

Item 1 expressly states that process water does not include recycled water used in the manufacturing process. We ask for clarification on this point as food processors can reuse water several times throughout the manufacturing process.

Item 2 specifies that “process water does not include the repackaging of a manufactured product such as with a restaurant or other commercial uses.” This is concerning to us as there are potential implications to our bulk products such as tomato paste and diced tomatoes that are sold for ingredients that will be repackaged into other products such as salsa, sauces, etc.

Item 6 specifies that “water used for manufacturing sanitation can be considered process water.” Sanitation in food processing facilities is of paramount concern for food safety. We request that this be a definitive statement that water used for manufacturing sanitation is considered process water.

We would recommend that this examples section be part of the process water definition.

Definitions Section:

There needs to be clarification on the definition of “industrial water user.” Currently the draft has two definitions stitched together. We would recommend the following language:

“Industrial water user” means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development. Examples include product manufacturing and processing activities related to chemicals, food, beverage bottling, paper and allied products, steel, electronics and computers, metal finishing, petroleum refining, and transportation equipment.

We request that the definitions of “local agency” and “beneficial use” be removed.

Quantification and Verification Section:

We would ask for flexibility in the methods for quantifying and verifying process water and incidental water use.

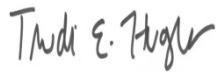
Specifically, with regard to cooling process water, the draft states “water that is returned to the system or otherwise beneficially used can be counted.” We are unclear what this sentence means. Does “water that is returned to the system” mean water being reused like flume water, or does it mean water going back to the water supplier? Does “or beneficially used” mean situations like water discharged to land?

Existing Industries Section:

We recommend the removal of language in this section that states that local agencies may consider the use of water efficiency technologies, methodologies, and practices. This is beyond the scope of the regulatory proceeding and conflicts with Water Code Section 10608.26 that expressly prohibits suppliers from requiring reductions in process water use.

Again, thank you for the opportunity to participate in the workgroup. CLFP looks forward to a continued dialogue with the Department moving forward.

Sincerely,

A handwritten signature in black ink that reads "Trudi E. Hughes". The signature is written in a cursive, flowing style.

Trudi Hughes
Government Affairs
California League of Food Processors
trudi@clfp.com
916-640-8150